



Mkango Subsidiary Maginito and CoTec Form HyProMag USA Joint Venture and Commence Process to Appoint EPCM Provider for the Feasibility Study

LONDON and VANCOUVER, British Columbia, Jan. 03, 2024 -- CoTec Holdings Corp. (TSXV: CTH; OTCQB: CTHCF) ("CoTec") and Mkango Resources Ltd. (AIM/TSX-V: MKA) ("Mkango") are pleased to announce that CoTec and Maginito Limited ("Maginito") have formed a 50/50 joint venture entity which will roll out HyProMag Limited's ("HyProMag") Hydrogen Processing of Magnet Scrap ("HPMS") recycling technology into the United States. The newly formed joint venture company, HyProMag USA, LLC ("HyProMag USA" or the "Joint Venture"), plans to develop a low cost, low carbon, sustainable rare earth magnet recycling and production business underpinned by HPMS. HyProMag has sublicenced the HPMS technology to HyProMag USA.

HyProMag is 100 per cent owned by Maginito, which is owned on a 79.4/20.6 per cent basis by Mkango and CoTec, and is commercialising rare earth magnet recycling in the UK, Germany and United States. Revenue from the Joint Venture is targeted for 2025/2026.

HyProMag USA will initially focus on completing a bankable feasibility study ("Feasibility Study") through a hub and spoke model using three HPMS vessels and one magnet manufacturing hub (together the "US Project").

The Joint Venture has recently initiated a "Request for Proposal" process from leading Engineering, Procurement and Construction Management ("EPCM") providers and has ordered three HPMS reactors to expedite the development of the US Project. Following completion of the Feasibility Study, CoTec and Mkango will make a joint decision as to whether the Joint Venture will proceed with the construction of the US Project.

Julian Treger, CoTec CEO commented: *"HyProMag is supported by the Minerals Security Partnership¹ and we are looking forward to working with leading EPCM providers to design and build these facilities using HyProMag's considerable experience from the plants being developed in the UK and in Germany. CoTec and Mkango are focused on delivery and will be exploring US Government funding and strategic partnerships for feed supply and rare earth element ("REE") magnet offtake in the first half of 2024.*

"We look forward to working and collaborating with local, state and federal stakeholders targeting the completion of the feasibility study".

Will Dawes, Mkango CEO commented: *"We see the United States as a core component of our growth strategy and look forward to progressing the US feasibility study over the course of the year, in parallel with further development of operations in the UK, Germany and other jurisdictions.*

HyProMag's recycling technology has major competitive advantages versus other recycling technologies and is a key enabler for cost effective and energy efficient separation, recycling and production of rare earth magnets with a significantly reduced carbon footprint. We are receiving strong interest for recycled magnets from potential customers and for recycling solutions from original equipment manufacturers ("OEMs"), and automotive and recycling companies."

HPMS technology was developed at the University of Birmingham, underpinned by approximately US\$100 million of research and development funding, and has major competitive advantages versus other rare earth magnet recycling technologies, which are largely focused on chemical processes but do not solve the challenges of liberating magnets from end-of-life scrap streams –HPMS provides the solution. HyProMag's company presentation can be viewed via the following link: [HyProMag Corporate Presentation](#)

Maginito

Maginito is owned 79.4 per cent by Mkango and 20.6 per cent by CoTec. It is focused on developing green technology opportunities in the rare earths supply chain, encompassing neodymium (NdFeB) magnet recycling as well as innovative rare earth alloy, magnet, and separation technologies.

Maginito holds a 100 per cent interest in HyProMag and a 90 per cent direct and indirect interest (assuming conversion of Maginito's convertible loan) in HyProMag GmbH, focused on short loop rare earth magnet recycling in the UK and Germany, and a 100 per cent interest in Mkango Rare Earths UK Ltd ("Mkango UK"), a company focused on long loop rare earth magnet recycling in the UK via a chemical route.

About Mkango Resources Ltd.

Mkango's corporate strategy is to develop new sustainable sources of neodymium, praseodymium, dysprosium and terbium to supply accelerating demand from electric vehicles, wind turbines and other clean technologies. In parallel with development of its mining assets, Mkango plans to become a market leader in the production of recycled rare earth magnets and alloys via its interest in Maginito. This integrated Mine, Refine, Recycle strategy differentiates Mkango from its peers, uniquely positioning the Company in the rare earths sector. Mkango is listed on the AIM and the TSX-V.

Mkango is developing its flagship Songwe Hill rare earths project ("Songwe") in Malawi with a Definitive Feasibility Study completed in July 2022 and an Environmental, Social and Health Impact Assessment approved by the Government of Malawi in January 2023. Discussions regarding the Mine Development Agreement ("MDA") for Songwe Hill are ongoing with the Government of Malawi.

In parallel, Mkango and Grupa Azoty PULAWY, Poland's leading chemical manufacturer have agreed to work together towards development of a rare earth separation plant at Pulawy in Poland (the "Pulawy Separation Plant") to process the purified mixed rare earth carbonate produced at Songwe Hill.

Mkango also has an extensive exploration portfolio in Malawi, including the Mchinji rutile exploration project, the Thambani uranium-tantalum-niobium-zircon project and Chimimbe nickel-cobalt project.

For more information, please visit www.mkango.ca

About CoTec Holdings Corp.

CoTec is a publicly traded investment issuer listed on the Toronto Venture Stock Exchange ("TSX- V") and the OTCQB and trades under the symbol CTH and CTHCF respectively. CoTec is an environment, social, and governance ("ESG")-focused company investing in innovative technologies that have the potential to fundamentally change the way metals and minerals can be extracted and processed for the purpose of applying those technologies to undervalued operating assets and recycling opportunities, as it transitions into a mid-tier mineral resource producer.

CoTec is committed to supporting the transition to a lower carbon future for the extraction industry, a sector on the cusp of a green revolution as it embraces technology and innovation. It has made four investments to date and is actively pursuing operating opportunities where current technology investments could be deployed.

For more information, please visit www.cotec.ca.

Cautionary Note Regarding Forward-Looking Statements

This news release contains forward-looking statements (within the meaning of that term under applicable securities laws) with respect to Mkango and CoTec. Generally, forward looking statements can be identified by the use of words such as "plans", "expects" or "is expected to", "scheduled", "estimates" "intends", "anticipates", "believes", or variations of such words and phrases, or statements that certain actions, events or results "can", "may", "could", "would", "should", "might" or "will", occur or be achieved, or the negative connotations thereof. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. Such factors and risks include, without limiting the foregoing, the successful conclusion of the MDA, the availability of (or delays in obtaining) financing to develop Songwe Hill, the Recycling Plants being developed by Maginito in the UK, Germany and the US (the "Maginito Recycling Plants"), and the Pulawy Separation Plant, governmental action and other market effects on global demand and pricing for the metals and associated downstream products for which Mkango is exploring, researching and developing, geological, technical and regulatory matters relating to the development of Songwe Hill, the ability to scale the HPMS and chemical recycling technologies to commercial scale, competitors having greater financial capability and effective competing technologies in the recycling and separation business of Maginito and Mkango, availability of scrap supplies for Maginito's recycling activities, government regulation (including the impact of environmental and other regulations) on and the economics in relation to recycling and the development of the Maginito Recycling Plants, and the Pulawy Separation Plant and future investments in the United States pursuant to the proposed cooperation agreement between Maginito and CoTec, the outcome and timing of the completion of the feasibility studies, cost overruns, complexities in building and operating the plants, and the positive results of feasibility studies on the various proposed aspects of Mkango's, Maginito's and CoTec's activities. The forward-looking statements contained in this news release are made as of the date of this news release. Except as required by law, the Company and CoTec disclaim any intention and assume no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. Additionally, the Company and CoTec undertake no obligation to comment on the expectations of, or statements made by, third parties in respect of the matters discussed above.

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¹ <https://www.state.gov/joint-statement-on-the-minerals-security-partnership-announce-support-for-mining-processing-and-recycling-projects/>).